

Human Resources Institute of New Zealand

HRINZ

1. Current economic and political situation in New Zealand

Economy and labour market situation

The overall state of the labour market remains strong. Improved economic conditions are reflected in increased labour demand, while migration-led population growth and high labour force participation rates have expanded labour supply. The unemployment rate increased over the quarter, but this is due to more people moving into the labour force, rather than an indication of declining outcomes.

- Employment increased by 28,000 (1.2 per cent) between the September and December quarters, and is up 80,000 (3.5 per cent) over the year ending December.
- The unemployment rate rose 0.3 percentage points over the quarter to 5.7 per cent. This is a reflection of the rising participation rate, as more people move into the labour force.
- In the year ending December 2014, New Zealand had a net gain of 50,900 permanent and long-term migrants, the highest level of annual net migration on record.
- In line with the rising population, the labour force increased by 36,000 over the December 2014 quarter, the largest level increase since the series began in 1986. This lifted the labour force participation rate to 69.7 per cent, the highest on record.
- Over the year to December, the growth in the labour force was driven by the 20-34 and 65+ age groups. This is consistent with population increases in both these age brackets, with strong net migration contributing to growth in the population of 20-34 year olds.
- New Zealand's tertiary indicators are high by international standards and there is strong performance coming through in school leaver achievement.
- The proportion of people aged 25 to 35 years with NCEA level 4 or higher qualifications increased by 1.1 percentage points to 54.9% in the year to December 2014.
- The share of the workforce with a bachelor's degree or higher was 25.2 per cent in the September 2014 quarter, an increase from a year ago.

Political situation

After the General Election on 20 September, 2014, National Leader John Key formed a minority government negotiating agreements with the ACT Party, the United Future Party and the Maori Party. Politically New Zealand continues to be democratic and stable.

2. HR challenges

The nine main challenges facing the HR profession in New Zealand at present are:

- Ageing population
- Talent supply plus skills mismatches
- People leadership – the pressure of doing more with less
- Societal Mortality
- Work force engagement
- Rise of the “selfie”
- Increasing wage disparity
- “Never off” syndrome/well being/stress/bullying
- Influence and profile of HR

3. HRINZ projects and initiatives

Major areas of activity include the following:

- Increasing professionalisation
- Increasing connection – locally, nationally and globally
- Technology
- Compelling value proposition
- Competitive challenge

4. Scheduled Conferences

- NZ HR Conference & Expo (26-28 August 2015)
- NZ HR Summit in Christchurch (22 May 2015)
- NZ HR Summit in Auckland (5 June 2015)
- NZ HR Summit in Tauranga (18 June 2015)

Chris Till
Chief Executive
Human Resources Institute of New Zealand (HRINZ)